MEDIA RELEASE

CEDAR WOODS PROPERTIES LIMITED

CEDAR WOODS PROFIT UP 107%

- Revenue up 39%
- Net Profit up 107%
- Earnings Per Share up 104%
- Full year profit of $7.1m
- Dividend of 7 cents per share
- Forecasting approximately $8m Net Profit for FY2004

Cedar Woods Properties Limited (CWP) today announced a net profit of $7.1m for the year to 30 June 2003, an increase of 107% over the profit of $3.4m achieved in the previous year.

Revenue was up by 39%, reflecting record sales at the Company's two Mandurah projects, together with strong revenue from the Company's project at Regency Grove, Wanneroo.

The company has delivered earnings per share of 14.5 cents compared to 7.1 cents in the previous year.

The Company will pay a 7cents per share dividend on 24 October 2003, representing a 40% increase in dividend over the previous year.

During the second half the Company continued to experience high demand across its projects, with the launch of The Rivergums at Baldivis contributing to a strong result for the second half. Stage 1 has virtually sold out and the company has recently released stage 2. Both of these stages will contribute to earnings in the new financial year.

The Company recently announced the commencement of a major new project at Tapping, near Wanneroo which it plans to commence in the first half of FY2004.

The Company finished the year with a net bank debt / equity ratio of only 16%, and with a $35m finance facility available it is well positioned to fund its ongoing development and acquisition program.

With its expanded project portfolio the Company is well positioned to deliver growth in earnings for FY2004 and beyond.

Based on the current momentum within the property market, the Company is cautiously optimistic of exceeding its 10% pa earnings per share growth target, and achieving a net profit after tax of approximately $8.0 m for FY2004.

For further information please contact:

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15 August 2003

CEDAR WOODS PROPERTIES LIMITED

PROFIT ANNOUNCEMENT
FOR THE YEAR ENDED 30 JUNE 2003

Cedar Woods Properties Limited is pleased to report a Net Profit after Tax for the year to 30 June 2003 of $7.1 m (2002 - $3.4 m), equating to 14.5 cents per share, an increase of 104% over the 7.1 cents per share achieved in the previous year.

The directors have declared a fully franked cash dividend of 7 cents per share (2002 – 5 cents). The payment date is 24 October 2002.

OPERATING HIGHLIGHTS

The strength of the economy and continued low interest rates maintained the momentum in the residential property market during the 2003 financial year.

The improved 2003 result was driven by improved sales at the Company's Mandurah projects, augmented by contributions from the new estates which were brought to the market during the year.

Sales for the second half totalled 149 lots or units, comparable with the 120 lots achieved in the first half. However, the second half net profit of $3.0m was lower than the first half result of $4.1m, due to the impact of the Company's seasonal construction programme, as forecast at the half year. The Company was partway through development of a significant amount of product at 30 June and consequently, a sizeable portion of the profit recognisable on sales made in the second half will be brought to account in the 2004 financial year when that development is completed.

Waterfront Development

Mariners' Cove experienced a substantial improvement in sales performance. All titled stock created in the year has been sold, and the Company has presold all but a dozen lots in parkland stages 5 and 6, comprising 51 lots, before the completion of construction. These stages are expected to be completed early on FY2004.

Also at Mariners Cove, the Company embarked on the construction of the first canal island stage of 67 lots. Approval exists for the development of 331 canal lots in total, which will significantly underpin the earnings of the Company for the next 4 to 5 years. The first stage is under construction anticipated to be completed in two phases during the 2004 financial year. Sales of canal lots have proceeded strongly with 40% of the lots sold in the 2003 financial year and approximately 50% of the 67 lots sold at the date of this report.

At Port Mandurah Canal Estate, all but 10 of the Company's remaining canal lots were sold during the 2003 year, with the balance to be sold in the 2004 financial year.

Residential Development

In November 2002 the Company launched an estate in Perth's northern suburbs, 'Regency Grove' in the Shire of Wanneroo. In the second half, development of this 83-lot boutique subdivision was completed, incorporating a builders' display village which is supported by 9 of Perth's best-known homebuilders. This estate also proved to be popular with buyers and during the year the Company sold over 50% of the lots. The remaining lots are expected to be sold in the 2004 financial year.

Towards the end of the second half the Company launched its newest estate at The Rivergums, Baldivis, adjacent the Kwinana Freeway south of Perth in a rapidly growing corridor. The first stage of 86 lots was released in June 2003 and at the date of this report most of the lots in this stage, which is to include a 15-lot builders display village, have been sold. The Company has pre-released stage 2 comprising 92 lots, to meet strong demand. Stages 1and 2 are presently under construction with stage 1 due for completion in October 2003, and stage 2 around January 2004. This project is anticipated to ultimately yield around 800 lots.

Built Form

At Port Mandurah, the medium density development known as "The Promontory" was highly successful, with the Company selling all but 1 of the remaining 23 units during the year.

The Company retains a site nearby within the Port Mandurah development, which is occupied by three heritage listed buildings, and a project similar to The Promontory is planned to be commenced in the second half of the 2004 financial year.

Following an excellent response from the public to a pre-marketing campaign early in the financial year, plans for Aria Apartments on Rockingham Beach Road were advanced, and achieved development approval in January 2003.

Registrations of interest were invited from that time, and a state of the art Marketing Centre was erected on Rockingham Beach Road. Formal contracts have now been secured for over half of the 32 apartments and, in the expectation that additional sales will be achieved early in the new financial year, it is envisaged that this development will commence in the very near future and be completed towards the end of calendar 2004 or early 2005.

The Company has also secured a development approval for a further 80 beachfront apartments on an adjacent site, and the pre-marketing of this project will be scheduled when construction has commenced on Aria Apartments.

Mixed Use / Mixed Density

The Company is making significant progress towards a more diverse portfolio of projects through Laverton in Victoria and Canning Vale and Balcatta in Perth.

The establishment of a branch office in Melbourne has assisted the Company's presence in that City, and during the past year considerable progress has been made in relation to the plans for a mixed-use development on this strategic western Melbourne site.

In response to strong growth in the bulky goods retail market, the Company has been working on the integration of a 35,000 m^2 bulky retail project within the Laverton project, whilst master planning for an integrated business and residential development proceeds.

The Company achieved bulky goods zoning for its Balcatta property during the year, and is currently marketing the development with the potential to retain it as an investment grade property, leased to a range of tenants.

Plans have also been advanced for the Company's landholding at Canning Vale in Perth's inner southeastern suburbs. The land is adjacent a quality District Shopping Centre, and the Company has achieved a rezoning following the support of the Local Government Authority and State Planning agencies for a mixed density development, which is expected to comprise a range of single residential lot sizes, row housing and apartment development.

The Company's concept plans for the site have been approved, and it is intended that the project will be marketed and developed in the 2004/05 financial year.

NEW PROJECTS

The Company continued to focus on diversifying and expanding its property portfolio.

Just prior to the end of the year the Company exercised the first of a number of options on a series of contiguous land parcels at Tapping, WA, which will be acquired over a two-year period for the purpose of establishing a major 500-lot subdivision in one of Perth's growing northern corridors. Details of this acquisition were announced on 30 July 2003.

FINANCIAL HIGHLIGHTS

The result for the full financial year was as follows:

	CONSOLIDATED	
	Current Period $A'000	Previous Corresponding Period $A'000
Revenue from ordinary activities	**36,412**	**26,232**
Profit from ordinary activities before income tax expense	**10,892**	**5,555**
Income Tax attributable to operating profit	**3,757**	**2,111**
Net profit after tax attributable to members of Cedar Woods Properties Limited	**7,135**	**3,444**
Realised asset revaluation reserve	1,435	1,287
Net Profit after income tax plus Realised Asset Revaluation Reserve	8,570	4,731

Ordinary revenue was $36m, up 39% on the previous year, reflecting the increase in underlying residential lot sales over the previous year.

The Company performed strongly in FY2003, with net profit after tax increasing $3.7m to $7.1 m, being 107% higher than the previous year and exceeding the previous forecast of $6.5 m. A further $1.4 m was realised in the asset revaluation reserve.

The Company seeks to be in the top half of listed companies in terms of earnings per share growth and manages its portfolio for continuous growth. The earnings per share of 14.5 cents per share represents a 104% increase over FY2002.

At 30 June 2003 the Company had net tangible assets of $36.8m (2002 – $29.0m) or 75 cents per share (2002 – 60 cents), based on the historical cost of assets. Based on the most recently available independent valuations, and taking into account land sold and development expenditure incurred since the valuations were prepared, the directors estimate that the net tangible asset backing is approximately $1.30 per share, if the land is restated to market valuation net of income tax and GST.

The Company's net bank debt / equity ratio at 30 June 2003 was 16%, which was within the target range of 10% to 60%, which provides the Company with adequate scope to debt fund future development and acquisitions in the short term. The interest cover for the year was 43 times interest expense and no interest was capitalised.

In addition to the company's profits doubling, it was pleasing to see a re-rating of the share price during the year as the market recognised the value developing within the company. The closing share price close to $1 was almost double that of the price at the commencement of the year.

DIVIDEND POLICY

The Company attempts to provide a balance between a satisfactory return to shareholders and the retention of funds in the Company to fund the future growth of the business. The Company has established a policy of paying approximately 50% of Net Profit after tax and realised reserves, as dividend.

Accordingly, the directors have resolved to pay a fully franked dividend of 7 cents per share this year (2002 – 5 cents). The dividend reinvestment plan remains suspended.

OUTLOOK

Whilst the residential property market is expected to soften in 2004, the strength in the economy should underpin demand, albeit at a more modest level. The residential property sector in WA is anticipated to remain firm on a historic basis.

Strong sales have continued at the Company's residential projects in the new financial year.

At Mariners Cove, the Company will finish development of a number of stages under construction and proceed with development of further parkland stages, and the second canal island stage of 93 lots. The Company has approval for the development of 331 canal lots in total at Mariners Cove which will significantly underpin the earnings of the Company for the next 3 to 4 years.

The Company anticipates that demand will continue to be strong at The Rivergums, Baldivis and hence the profit from sales in the remainder of stage 1 and stage 2 will be realised during the 2004 financial year.

The Company will soon commence marketing for stage 1 of the Tapping project, and this project is expected to contribute to earnings in the second half of FY2004.

Sales of Aria Apartments continue to be made 'off the plan' and the Company is close to reaching the required number of pre-sales prior to commencing the project. In common with all of the Company's projects, profit from this development will be recognised on a percentage of completion basis and hence when commenced, this project will also contribute to earnings in FY2004.

2004 FORECAST PROFIT

At the national level, the residential property market is expected to soften during 2004. The Perth market is also expected to slow, but to a lesser extent, as the key fundamentals remain sound. In particular, the Western Australian economy is predicted to outpace the national economy and housing affordability is less of an issue than in Sydney and Melbourne.

The Company enters the financial year with an enhanced and diversified portfolio and a strong development programme which should allow the Company to market a range of product and hence further improve profitability.

The Company has focussed on removing risk within its portfolio and has achieved a number of important approvals, which will allow it to quickly respond to market demand.

Based on the current momentum within the property market, the Company is cautiously optimistic of exceeding its 10% pa earnings per share growth target, and achieving a net profit after tax of approximately $8.0 m.

The Company will provide earnings guidance at regular intervals during the 2004 financial year.

For further information please contact:

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15 August 2003